

SENATE BILL REPORT

SB 6158

As Reported by Senate Committee On:
Ways & Means, April 16, 2009

Title: An act relating to delaying the implementation of the family leave insurance program.

Brief Description: Delaying the implementation of the family leave insurance program.

Sponsors: Senators Keiser, Brown, Prentice and Tom.

Brief History:

Committee Activity: Ways & Means: 4/16/09 [DPS, DNP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6158 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley, Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Oemig, Pridemore and Regala.

Minority Report: Do not pass.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Hewitt, Honeyford, Parlette, Pflug and Schoesler.

Staff: Michael Bezanson (786-7449)

Background: The Family Leave Insurance Program was enacted in 2007 to provide a partial wage replacement program for individuals who are unable to perform their regular or customary work because they are on family leave. The program is to begin paying \$250 per week for up to five weeks starting October 1, 2009, to eligible individuals. To be eligible the individual must work at least 680 hours in employment covered by unemployment compensation.

The program also establishes the Family Leave Insurance Account and provides the Director of Labor and Industries (L&I) authority to lend funds from the Supplemental Pension Fund to the Family Leave Insurance Account. The 2007-09 budget provides L&I \$18 million in appropriation authority from the Family Leave Insurance Account for initial administrative expenses.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (Recommended Substitute): The Family Leave Insurance program is to begin paying benefits when the Director of the Office of Financial Management determines that monies are deposited and available in the family leave account for paying these benefits. Authority for the Director of L&I to lend funds from the Supplemental Pension Fund to the Family Leave Insurance Account is extended from July 1, 2009, to July 1, 2012, and the initial report due to the Legislature will be due on September 1, 2013, rather than September 1, 2010.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): Removes the initial start date for when the state is to begin paying family leave benefits. Benefits are payable when the Director of the Office of Financial Management determines that monies are deposited and available in the Family Leave Account for paying benefits. The state is not liable for any amount in excess of those limits.

Appropriation: None.

Fiscal Note: Requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment in which the bill is passed.

Staff Summary of Public Testimony: PRO: Family and economic stability that the Family Medical Leave Program provides is more important now as ever. We are disappointed that we will not be implementing the program this year. We are looking forward to working with you and the federal government as we move toward having a family leave program in this state.

CON: Extending the linkage between the Supplemental Pension Fund and the Family Leave Insurance Program is not an appropriate use of funds. The Supplemental Pension Fund is intended to be an insurance tool for injured workers.

The bill should not extend the implementation dates until a funding source has been identified.

Persons Testifying: PRO: Rebecca Johnson, Washington State Labor Council.

CON: Kris Tefft, Association of Washington Business; Troy Nichols, National Federation of Independent Business.